

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268

In the Matter of

Docket No.: \_\_\_\_\_

Climax, GA 39834

Morgan Wolaver, Petitioner

PARTICIPANT STATEMENT

1. Petitioner is appealing the Postal Service's Final Determination concerning the Climax, Georgia, Post Office. The Climax Post Office was permanently closed on November 1, 2012.

2. In accordance with applicable law, 39 U.S.C. § 404(d)(5), the Petitioner requests the Postal Regulatory Commission to review the Postal Service's Final Determination on the basis of the Administrative Record before the Postal Service in the making of the Final Determination.

3. Petitioners: Please set out below the reasons why you believe the Postal Service's Final Determination should be reversed and returned to the Postal Service for further consideration:

Please see the following Memorandum and supporting exhibits.

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268

In the Matter of

Docket No.: A 2013-\_\_\_\_\_

Climax, GA 29834

Morgan L. Wolaver, Petitioner

MEMORANDUM IN SUPPORT OF  
REQUEST FOR REVIEW

The Petitioner, Morgan L. Wolaver, as a Climax postal patron and the former lessor of the Climax Post Office located at 102 W. Broad Street, Climax, Georgia 39834, appeals the closing of the Climax, Georgia, Post Office, which the Postal Service accomplished when it closed the Climax, Georgia, Post Office on October 31, 2012, and suspended all services from that office. The Postal Service has demonstrated its determination to permanently close the Climax Post Office by unequivocal acts having that intended and unavoidable effect. In accordance with applicable law, 39 U.S.C. §404(d)(5), the Petitioner requests the Postal Regulatory Commission to review the Postal Service's *de facto* closing, and retain jurisdiction at least until a further Administrative Record is available.

The Petitioner supports the points made in the Request for Reconsideration submitted by the City of Climax on June 19 (attached hereto, and incorporated herein, as Exhibit B) and sets forth the following reasons why he believes the Postal Service's *de facto* determination should be reversed and returned to the Postal Service for further consideration, or retained for further review:

**1. The Climax Post Office has been Closed for Eight Months with no Community Meeting or Completed Discontinuance Study; the Closing has Already Occurred, is Final, and Everyone Knows It.**

- As the Postal Service and every citizen in Climax knows, the built-to-purpose New Construction Lease at 102 W. Broad Street is the only building in Climax which might possibly be used for a post office. Since the Postal Service has closed negotiations concerning that building, the permanent closing of the post office in Climax is both inevitable and unavoidable.
- Although the Postal Service has styled the closing of the Climax Post Office as an “emergency suspension” while it continues its study, in reality the final determination has already been made.
- While there is no rule imposing a deadline on the Postal Service to begin or complete a discontinuance study, it is clear that the “temporary nature” of the suspension has already exceeded eight months with no discontinuance study in sight. While the Postal Service asserted in its Motion to Dismiss in Docket 2013-3 that it had already begun the discontinuance process, the Postal Service has provided inaccurate information to the community and has yet to hold a community meeting.
- The Postal Service appears to be manipulating the rules and regulations put in place to protect postal patrons in order to try to avoid Commission review of the closing of the Climax Post Office.
- There are only 3 ways the Postal Service could continue to have a post office in Climax, and each of those options are foreclosed. First, the Postal Service could look for other space in Climax, but no suitable space exists or is available. (See the Affidavit of Morgan Wolaver, Exhibit A hereto.) Second, the Postal Service could build a new post office in Climax, except that is economically infeasible

since it would cost more than twice the amount the Postal Service said it was willing to pay. (*Id.*) Finally, the Postal Service could negotiate a fair lease rate with its former lessor, but the Service has stated, over 8 months ago, that it had ended negotiations. (*Id.*) The conclusion is inescapable that Climax will have a VPO, but no post office.

- It is clear to the Petitioner and to the Climax community that the Postal Service will not be re-opening the Climax, Georgia, Post Office, and the Postal Service has already made that result inevitable. (See the City of Climax Request for Reconsideration, Exhibit B.)

**2. The Climax Community has been Badly Misinformed by the Postal Service, Resulting in Inadequate Notice and Confusing and Contradictory Information Regarding the Disappearance of its Post Office.**

- The most charitable view which can be taken regarding the Postal Service's actions in Climax, and the notices given by the Postal Service, is that they are the result of the botched execution of contradictory plans; a more studied review indicates misdirection in the execution of a predetermined plan to close the Climax Post Office, and reduce postal services, while preventing any meaningful input from the community or this Honorable Commission.
- On September 13, 2012, the Postal Service notified its lessor that it would be vacating the Climax Post Office and establishing a Village Post Office.
- Notwithstanding this determination, five days later, on September 17, 2012, the Postal Service posted a "Public Notice" concerning a proposed meeting "to answer questions and provide additional information" about POSTPlan, which called for the hours of the Climax Post Office to be reduced from 8 hours each week day to 6 hours per week day, with no change in Saturday hours.

- Eleven days later, on September 28, the Postal Service, by letter, confirmed that it “intended to maintain the Climax Post Office with 6 hours of window service each week day.”
- Next, on October 19, the Postal Service informed customers that operations at the Climax Post Office would be “suspended” on October 31, and customers were told services would be available at the Whigham Post Office. No reference was made to the previously announced November 8 meeting. Customers with questions were told to contact Pat Brinson, the Whigham Postmaster.
- Six days later, on October 25, the Postal Service posted a notice on the door stating that a VPO would soon be opened.
- On November 8, Stacy Brinson, the Acting POOM over Climax (and Pat Brinson’s mother) and Angela Collier met with what few Climax citizens still knew that a meeting was taking place. These Postal Service representatives said they didn’t have any results from the POSTPlan survey sent to residents, and that the POSTPlan survey now had nothing to do with the decisions being made by the Postal Service concerning the Climax Post Office. In response to a question, Ms. Collier stated that the Postal Service would not be letting citizens know of any further information regarding the post office reopening or staying closed. (See the Participant Statement of Climax City Clerk Karen Toole, Docketed December 11, 2012.)
- With the Motion to Dismiss it filed in Docket 2013-3, the Postal Service provided a copy of a letter dated December 4, 2012, purportedly informing citizens that the Climax Post Office would be studied for discontinuance. City Clerk Karen Toole reports that no one in Climax received this letter, and that the community meeting mentioned in the letter has never taken place. (See Request for Reconsideration submitted herein on June 19, 2013, and Exhibit B hereto.)

- After the City Clerk made inquiries about the non-delivered December 4 letter, the Postal Service sent out a new letter, dated December 18, which once again referenced a community meeting. (*Id.*) Even though seven months have passed since the December 18 letter, no community meeting has been held, or even scheduled.
- The Climax Post Office has been closed for eight months under a purported “emergency suspension,” with no lease negotiations or community meeting.

### **3. POSTPlan was Presented, but not Followed in Climax.**

- The Postal Service represented to the citizens of Climax that it had evaluated their post office under the POSTPlan criteria, and that, as a result, the Climax Post Office would remain open for 6 hours each week day and retain current Saturday hours. (See 09/28/2012 Postal Service customer letter.)
- Similarly, the same thing was to happen to the Whigham Post Office: 6 hours of POSTPlan operations. Climax’s two carriers were to be moved to the Bainbridge Post Office, and the Whigham Post Office carriers were to be moved to the Cairo Post Office, leaving Climax with its post office, “while substantially reducing operating costs.” (Request for Reconsideration, at 1-2.)
- Somehow, between the initial application of the POSTPlan criteria in September, 2012, and the final result, Climax entirely lost its post office and Pat Brinson’s Whigham Post Office gained 2 carriers, additional customers, and an increase in grade. The initial POSTPlan criteria to move both Climax and Whigham to 6 hour POSTPlan operations would have preserved Universal Service for both towns and annually saved the USPS at least \$5,000 more than the present operation of closing Climax and elevating Whigham.

#### **4. The VPO, Built by USPS, is Neither an Adequate, Nor a Suitable Replacement.**

- The Postal Service determined, before the termination of the Climax lease, that it would be building a Village Post Office which it clearly intended to replace, rather than supplement, the Climax Post Office. It is absolutely clear that the Postal Service did not intend to increase or improve services in Climax by adding a VPO to provide services in addition to the Climax Post Office.
- As City Clerk Karen Toole pointed out, in her original Participant Statement in Docket 2013-3: "The village post office that has been placed inside of a hardware store is not handicap friendly. There is very little parking and the drop off box for the mail is located in the middle of the store parking area. If people drive up to this box they will be driving between the gas pumps and the front door of the store if someone comes out the door at the time someone is drive up to the box someone is going to get hit. Then if someone comes up and parks the person at the drop off box will have to back up.  
The step down where the P O Boxes are located is not safe for the elderly and impossible for the handicap in wheel chairs."
- In her most recent Request for Reconsideration, Ms. Toole points out: "Our Village Post Office sells stamps and citizens can pick up a few boxes there. No new post office boxes can be opened. You cannot mail a package, certified letter or any other service that requires the transaction of money. If you receive or mail a package, you must travel to a post office outside the area. Most of the citizens have closed their box because they do not like the location of the Village Post Office. We simply do not receive the services we once had."
- Climax has lost its Postmaster, its postal customers must travel to a distant post office, they have lost most standard post office services, and instead receive a replacement Village Post Office with inadequate service offerings and no

adequate handicap access. (See the Participant Statement of Karen Toole, City Clerk in Docket 2013-3.)

**5. The Closing of the Climax Post Office and Transfer of its Carriers and Customers to the Inadequate Whigham Post Office is Inexplicable Based on any External Rationale.**

- The Climax Post Office was built to the Postal Service's specifications as a New Construction Lease (NCL). It consists of 1,856 square feet, contains two bathrooms, meets ADA standards, has a loading dock, and more than adequate parking. (See Affidavit of Morgan Wolaver, filed with this Memorandum.)
- The Whigham Post Office was not built to Postal Service specifications, but was an older building converted to Postal Service use. Its interior square footage is 40% smaller than the Climax NCL building, it has no parking or loading dock, it does not appear to meet ADA requirements, and it only has one bathroom. It is "functionally obsolete." (See Request for Reconsideration at 3; Affidavit of Morgan Wolaver.)

**6. The Postal Service's Purported "Negotiations" with the Climax Lessor were in Bad Faith, and a Pretext for an "Emergency Suspension" and Closing.**

- The Climax Post Office located at 102 W. Broad Street, Climax, Georgia 39834 was built to postal specifications. The Postal Service has leased this space for 30 years, beginning in 1982 with a rate of \$8.73 per square foot, with an interior space of 1,856 square feet, for a total annual rate of \$16,200. This amount increased in 1997 to \$9.74 per square foot, in 2002 to \$10.76 per square foot, and again in 2007 to \$11.84 per square foot.



- Original rent, 30 years ago in 1982, for the Climax Post Office was \$8.73 per square foot, which -- without any adjustment for 30 years of inflation -- is only 2 cents per square foot less than the landlord's September, 2012, offer of \$8.75 per square foot.
- The lease period renewed in 2007 was set to end on October 31, 2012. During the Summer of 2012, the Postal Service initiated a new lease negotiation. The Postal Service's initial offer began at a Fair Market Value (\$11.84 per square foot), which was identical to the \$11.84 per square foot the Postal Service had been paying to lease the space for the previous five years. The Postal Service thereafter reduced that amount to \$8.50 per square foot. This is 23 cents per square foot less than the initial 1982-87 rate of \$8.73 per square foot, even without adjusting for inflation.
- The Postal Service entered into bad faith lease negotiations with the Petitioner during the Summer of 2012. The Postal Service had pre-determined that it would no longer lease a building for the Climax Post Office and would instead be setting up limited services in a Village Post Office. While still in negotiations over the terms of the new lease, the Petitioner received a phone call on September 13, 2012, requesting a 30-day extension on the existing lease (but at a significantly lower rate than the existing lease) so the Postal Service would have time to establish a Village Post Office. The proposed one-month lease extension was not to negotiate for a continued lease of the Climax Post Office building, but to build a VPO which was not intended to supplement, but to replace, the Climax Post Office.
- At the November 8, 2012, POSiPlan meeting, the Postal Service represented to the Climax community that it was willing to negotiate a lease renewal with the lessor. However, when the Petitioner was informed of this and called the Postal Service to discuss further lease negotiations, he received a call from Real Estate Specialist McMurtry "that the Postal Service would not enter into any further

negotiations with me.” (See Affidavit of Morgan Wolaver and his January 10, 2013, Participant Statement in Docket 2013-3.)

- In point of fact, while the Postal Service was demanding a lease rate for Climax below anything that it had paid during the last 30 years, it was renewing the lease for an identical 1982 NCL post office in Concord, Georgia, for \$10.50 a square foot. Similarly, also, the Postal Service offered to renew the lease in Newton, Georgia, just 25 miles from Climax, for \$11.31 per square foot; also in 2012, the Postal Service renewed the lease in Greenwood, Florida, just 50 miles from Climax for \$11.25 per square foot. (See Affidavit of Morgan Wolaver.)

In the face of these facts the inescapable conclusion is that the Postal Service determined to make renewal of the Climax Post Office lease impossible for reasons having nothing to do with its fair market value.

#### **7. You Can Always Get What You Want<sup>1</sup>, Especially with a Contrived FMV Calculation.**

- Fair Market Value (FMV) is a term of art in the real estate industry and is based on the value of comparable real estate, in this case commercial buildings suitable for the Postal Service’s needs, of a similar age and size, and with similar improvements and parking area.
- Morgan Wolaver provided Fair Market Value studies based on the usual practices for commercial real estate, and on the method the Postal Service had previously used.

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<sup>1</sup> Cf., the Rolling Stones’ “You Can’t Always Get What You Want,” 1968.

- Using the Postal Service's own FOIA lease database, the postal leases for buildings in the area with comparable structure and age are between \$10 per square foot and \$12 per square foot, which fits the initial offer from the Postal Service. (See Comparable Rent Data chart included in City Clerk Karen Toole's Participant Statement in Docket 2013-3.)
- The Postal Service did not follow the standard, accepted procedure used to determine the Fair Market Value of the rent at the Climax Post Office. Its method of determining fair market value is contrary to the standard practice in the real estate industry as well as the Postal Service's own past practice.
- As documented by the Affidavit of Morgan Wolaver, the Postal Service abruptly changed its calculation of Fair Market Value for Climax, from the methodology it had used over the preceding 30 years. Instead of continuing the Climax lease at the existing lease rate, as it initially offered, the Postal Service contrived an Unfair Market Value calculation based on postal buildings which were 20 years older, with significantly less parking, no loading docks, and much less land. (See Morgan Wolaver Affidavit.)
- The lessor provided Fair Market Value studies based on the usual practices for commercial real estate, and on the methodology the Postal Service had heretofore used. Based on those studies, the rate for Climax came out to between \$10 to \$12 per square foot. During negotiations in the Summer of 2012, the lessor offered a below-FMV rate of \$9.50 per square foot, but the Postal Service refused. (See Participant Statement of Morgan Wolaver.) In an effort to preserve a post office in Climax, the lessor reduced this amount even further, to \$8.75 per square foot. The Postal Service also rejected this offer.

- As shown above, and in the Affidavit of Morgan Wolaver, despite the FMV miscalculation it applied in Climax, the Postal Service has been renewing leases for similar facilities in the immediate vicinity of Climax for between \$10.50 and \$11.31 per square foot.
- Using its Climax-only methodology, the Postal Service demanded that the lessor reduce his existing lease rate by almost one-third. However, nationwide, the Postal Service has been negotiating new rental rates for other post offices which have only been reduced by 5%-10%. (See Affidavit of Morgan Wolaver.)
- Although the Postal Service's initial offer for the Climax lease began at Fair Market Value (\$11.84 per square foot), it quickly reduced that amount to \$8.50 per square foot. By basing its "fair market value" on an average of all the surrounding postal leases, including the lease value of much older, smaller or unimproved buildings, the Postal Service artificially and unfairly reduced the value of the lease in the market.

**8. "Promises, Promises:<sup>2</sup>" What has Happened in Climax is Contrary to Representations the Postal Service has made to the Postal Regulatory Commission.**

- In its Advisory Opinion on POSTPlan, Docket No. N 2012-2, at 50, the Commission observed: "Under the POSTPlan, POSTPlan post offices will continue notwithstanding the presence of a VPO, which the Postal Service is offering in conjunction with POSTPlan post offices."

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<sup>2</sup> Broadway musical, 1968 et seq.

- In that same proceeding, the Postal Service represented that, “when negotiating the renewal of leases, it will consider changes in the market lease rates applicable to a post office location and negotiate a rate that is fair and reasonable....” *Id.* at 48.
- The Postal Service assured the Commission it “has no plan for using the lease negotiation process as a pretext to close Post Offices.” *Id.* at 49.
- Each of the preceding representations by the Postal Service to this Commission are shown, by compelling evidence, to have been violated in Climax.

**9. The Postal Service has Created a Pre-determined, Manufactured “Emergency” in Climax.**

- Despite the lessor’s stated willingness to reduce the rent on the building he built to Postal Service specifications to below the rate the Postal Service was paying 30 years ago, and despite the fact that the Postal Service has renewed leases in the immediate area for similar buildings at much higher rates, the Postal Service determined not to negotiate. It used its unwillingness to negotiate as the basis for an “emergency suspension” in Climax.
- The Postal Service has provided a continuing stream of misinformation to the Climax community with the design of discontinuing the Climax Post Office while avoiding community input or Commission review.
- The Postal Service has used its creation of a VPO as a replacement for the Climax Post Office, notwithstanding its representations to the contrary to this Commission.
- The Postal Service has used the lease negotiation process and its emergency suspension procedure as a pretext to close the Climax Post Office.

- The Postal Service's conduct during its purported "negotiations" with its Climax lessor show a pre-determined pattern to reach a foreordained result: the closing of the Climax Post Office.
- There can be no legitimate purpose in closing a built-to-suit post office with more than adequate internal and external space, and instead to transfer operations to an outdated, "functionally obsolete" post office in another town.
- The Climax Post Office has been closed for 8 months with no completed discontinuance study or community meeting. Nor has the Postal Service offered any explanation for its failure to declare the obvious: the Climax Post Office has been permanently closed since October, 2012.

**10.A "Determination to Close" a Post Office can be Shown as much by Conduct as by a Formal Proclamation.**

As this Honorable Commission noted in its original Order in Docket 2013-3, the Postal Service did "not address the possibility of a *de facto* closing raised by the former lessor of the Climax post office." (Order of April 8, 2013, at 5.) The Public Representative, when the Commission was originally considering this matter, recommended "that the Commission 'monitor the progress of the discontinuance feasibility study to ensure prompt completion.'" *Id.* Both the public representative's concern, and the Commission's notation of the Postal Service's silence, were well justified.

While 39 U.S.C. § 404(d)(4) requires the Postal Service to make a “written determination” to close or consolidate a post office, the following subsection, (d)(5) provides that any “determination by the Postal Service to close... any post office may be appealed... to the Postal Regulatory Commission....”

If a formal proclamation by the Postal Service to close a post office were needed before this Honorable Commission could review, the Postal Service could ensure that the Commission could never review a closing by simply never issuing a written determination, or by waiting for a sufficiently long period until the community either ceased to exist or lost any interest in the post office it used to have. In creating § 404, Congressional legislators expressly stated that they wanted to make sure that community members had a chance to have outside review, and that the factors it identified in subsection (d)(2) were properly considered. Congress cannot have intended that the Commission and the community stand helplessly by after a post office was in fact closed, until the Postal Service decided it was opportune to issue a belated “written determination.”

In addition, the standard dictionary definition of “determination” is: “the act of deciding definitely and firmly;” “an act of decision;” the “firm or fixed intention to achieve a desired end;” and a “direction or tendency to a desired end.” (Merriam-Webster Dictionary.) The Postal Service’s actions in Climax, as previously and currently documented by the City of Climax and Petitioner, make it clear beyond any reasonable argument that the Postal Service has shown an intention, and taken the definite acts, to close the Climax Post Office.

Under any reasonable definition of the term "determination" the Postal Service has taken the acts showing its determination to close Climax. This Honorable Commission should not allow the Postal Service to also determine, and avoid, its jurisdiction by delaying a written proclamation until public input and Commission review becomes meaningless and moot.

Respectfully submitted this 23 day of July, 2013.

/s/ Harold J. Hughes

Harold J. Hughes

Michelle Bushman

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*On behalf of Morgan Wolaver*



# EXHIBIT A

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268

In the Matter of

Climax, GA 29834

Docket No.: A 2013-\_\_\_\_

Morgan L. Wolaver, Petitioner

AFFIDAVIT IN SUPPORT OF  
PARTICIPANT STATEMENT

State of Vermont                     )  
  )  
County of Chittenden               )       ss:

Morgan L. Wolaver, having been first duly sworn upon oath, deposes and says:

1. I am the owner and former lessor of the Climax Post Office building located at 102 W. Broad Street, Climax, Georgia 39834. I have been a postal patron of the Climax Post Office before it was closed by the Postal Service on November 1, 2012. I am also the current President of the Association of United States Postal Lessors (AUSPL).
2. The Climax Post Office building was specifically built according to the Postal Service's specifications as a New Construction Lease. The Climax Post Office building is the only existing building in Climax, Georgia, that is presently suitable or available for a full-service post office.
3. The Postal Service leased the Climax Post Office building from me for 30 years, from November 1, 1982, through October 31, 2012.
4. The Climax Post Office building consists of 1,856 square feet.
5. In 1982, the Postal Service's method of determining the Fair Market Value was to compare replacement cost of similar land and structure adjusted for age.
6. Over 30 years ago, in 1982, the Postal Service leased the Climax Post Office building for \$8.73 per square foot, for a total annual rate of \$16,200.

7. In 1992, the Postal Service's method of determining the Fair Market Value was to compare replacement cost of similar land and structure adjusted for age.
8. In 1992, the Postal Service leased the Climax Post Office building for \$9.19 per square foot, for a total annual rate of \$17,050.
9. In 1997, the Postal Service's method of determining the Fair Market Value was to compare replacement cost of similar land and structure adjusted for age.
10. In 1997, the Postal Service leased the Climax Post Office building for an additional five years for the increased amount of \$9.74/SF, for a total annual rate of \$18,078.
11. In 2002, the Postal Service's method of determining the Fair Market Value was to compare replacement cost of similar land and structure adjusted for age.
12. In 2002, the Postal Service leased the Climax Post Office building for an additional five years for the increased amount of \$10.76/SF, for a total annual rate of \$19,986.
13. In 2007, the Postal Service's method of determining the Fair Market Value was to compare replacement cost of similar land and structure adjusted for age.
14. In 2007, the Postal Service leased the Climax Post Office building for an additional five years for the increased amount of \$11.84/SF, for a total annual rate of \$21,984.
15. In the summer of 2012, CBRE, the Postal Service Broker, approached me about extending the lease. The rate that Ms. Yvette Berry initially offered me was \$11.84/SF with a 30-day termination clause. While this was not an increased rate as contemplated in prior extensions of the lease, it was a reasonable rate when considering the Fair Market Value of \$10/SF to \$12/SF for buildings of comparable size and age.
16. I was willing to accept this rate, but wished to negotiate a five- (5) year fixed term with no termination clause. These were the same terms as for the previous four renewal options.
17. Subsequently, 3 days later, Ms. Berry told me that the Postal Service would only renew the contract for \$8.50/SF for a five- (5) year term with 30-day termination clause or \$8.00/SF for a five- (5) year term and no termination clause. This, of course, was below the initial rental rate set by the Postal Service 30 years previously.

18. Ms. Berry told me that \$8.00/SF was the average Fair Market Value as determined by USPS Dallas Facilities Service Office, based on an evaluation of other leased Postal buildings in the area that were twenty (20) years older than the Climax office and which had significantly less parking spaces, no loading dock and much less land.
19. As negotiations continued through July 2012, I informed Ms. Berry that I was willing to accept a rate of \$9.50/SF, a 20% decrease from the existing rate \$11.84/SF, for a five- (5) year term and no termination clause.
20. On September 13, 2012, I called Ms. Berry to inquire about the status of the lease. She didn't know but said she would inquire. I received a phone call from Mr. William McMurry, Dallas FSO Real Estate Specialist, on September 13, 2012, requesting a 30-day extension on the existing lease, with a reduced rate of \$8.00/SF, to allow time for the USPS to move out of the Climax, Georgia, Post Office. Mr McMurry stated that \$9.50 was above Fair Market Value relative to other Post Offices in the area and the USPS was replacing the Climax Post Office with a Village Post Office.
21. On September 14, 2012, I learned from several residents in the town of Climax that the Postal Service was informing members of the Climax community that the Climax Post Office was being temporarily closed due to an inability to reach a lease agreement with me.
22. I was informed that at the November 8, 2012 POSTPlan meeting USPS employees Angela Collier with Stacy Brinson stated that the USPS was still willing to negotiate a lease agreement.
23. In mid-November I twice called and left voice mail on Ms. Collier's direct phone to discuss further lease negotiations. I received a call from Mr. McMurry in late November informing me that the Postal Service would not enter into any further negotiations with me.
24. Since the Climax Post Office was "temporarily" closed on November 1, 2012, I have learned from members of the Climax community that they believe other internal factors led to the closing of the full-service post office in Climax, and that the Climax community has found the VPO inadequate and inconvenient.
25. The Whigham Post Office—where Climax postal patrons have been redirected to obtain full postal services—is functionally obsolete, lacking a loading dock, with no parking for the Postal Service's use. Its interior square footage is 40% smaller than Climax, with only one bathroom for 5 employees.

26. As President of the Association of United States Postal Lessors, I have learned from many other lessors that the Postal Service has, in some instances, negotiated new rental rates that have been reduced 5% - 10%, but the majority of Post Office buildings have received the usual rate increases.
27. As President of the Association of United States Postal Lessors, I have received reports from many other lessors that their perception is that the Postal Service's increased use of "emergency suspensions" is a tool/device to make inevitable the closing of Post Office buildings.
28. In the Spring of 2013, I renewed a lease with the USPS through CBRE for the Post Office building in Concord, Georgia, for a FMV rate of \$10.50/SF. The Concord building is in an area of economic depression similar to that of Climax, and the building was built in 1982 with an identical design as the Climax building.
29. According to the Southern Georgia USPS lease information, the leases renewed by the USPS from June 2010 to June 2012 reflect an average of \$7.70/SF for all buildings with a USPS Maintenance Rider. When this information is narrowed down to buildings built between 1970 and 1992 (within 10 years of the date the Climax building was built), the average rate is \$9.98/SF for buildings with similar age, structure and amenities relative to the Climax building.
30. According to an AUSPL member the USPS offered to renew the Newton, Georgia, lease, just 25 miles north of Climax, at 0% reduction in rent for \$11.31/SF. The USPS offered to renew the lease in Greenwood, Florida, just 50 miles west of Climax, for a 10% reduction, at \$11.25/SF. The Greenwood lease was renewed November 30, 2012, just one month after the Climax renewal was due.
31. Based on my knowledge and understanding of USPS leases and buildings, based on 2002-2003 estimates, the USPS would have to spend \$15-\$20/SF to build a new post office building in Climax, with a required 20-year lease commitment, which would be economically infeasible, particularly in light of the USPS' assertions of financial concern.
32. All of the above, along with the information recently and previously provided to the Commission by Climax City Clerk Karen Toole, leads me to the inescapable conclusion that local Postal Service officials had no intention to continue the Climax Post Office and, to the contrary, have intended and executed a predetermined plan to permanently close the Climax Post Office, substitute a VPO in its place, and delay discontinuance procedures so as to make public input and Commission review meaningless.

I, Morgan Wolaver, being duly sworn, depose and say that I have personal knowledge of the facts as stated above, and if called as a witness I am competent to testify that they are true, except as to those facts stated to be upon knowledge and belief, and as to those facts I believe them to be true.

DATED this 19<sup>th</sup> day of July, 2013

Morgan Wolaver  
Morgan Wolaver

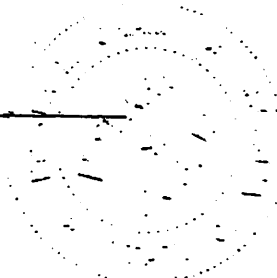
STATE OF Vermont

:ss

COUNTY OF Chittenden

Subscribed and sworn to this 19<sup>th</sup> day of July, 2013.

Krista M Cram  
Notary Public



# EXHIBIT B



City of Climax, Georgia  
105 Drane Street  
Climax Georgia 39834

Telephone: Office: 229-246-0467 Fax: 229-248-1035

June 19, 2013

Postal Regulatory Commission  
901 New York Avenue NW, Suite 200  
Washington, D.C. 20268-0001

RE: Request for Reconsideration Concerning the Closing of the Climax, GA, Post Office,  
Docket No. A 2013-3

To whom it may concern:

On behalf of the City of Climax and its postal patrons, I am asking you to reconsider the appeal that was dismissed on the closing of the Climax Post Office, located at 102 West Broad Street in Climax, Georgia.

The citizens feel that the Postal Service has been unfair to our City in the closing of our post office.

First let's go over the known facts.

1. The Climax and the Whigham Post Offices' fates were to be the same, that is moved to 6 hour POSTPlan operations. The 2 Climax carriers were to be moved to the Bainbridge Post Office and the Whigham Post Office carriers were to be moved to the Cairo Post Office thus reducing the requirement of a Postmaster. This would have provided Universal Service for Climax and Whigham while



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substantially reducing operating cost.

2. The Postal Service claims they were negotiating with Morgan Wolaver, the post office property owner, on the lease, which lead to an emergency suspension.

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3. The Postal Service claims they are now doing a study for discontinuance, and in the meantime still providing service to the citizens with a Village Post Office.

My questions to you are:

Why did the post office in Climax close and the Whigham Post Office get elevated to a level 18 post office? In addition the Whigham Post Office is smaller, and has no parking area. Someone needs to find out why a building that had very little room in it now holds 4 additional employees, does not appear to meet ADA requirements as the Climax Post Office does and only has one bathroom.

Could it have to do with the relationship of the postmaster of the Whigham post office and Stacy Brinson the Acting POOM over Climax at the time of Emergency Suspension? Would it have to do with the fact that Pat Brinson, her mother, will receive higher pay now, and more money when she retires because her post office is now a level 18 post office?

In the appeal that I filed with you in December 2012, I expressed my concerns about the Postal Service not giving the proper information in a timely manner.

I now wish to say that they have lied. Please take a look at (PRC DOCKET NO. A2013-3 attachment 3), which is a copy that I downloaded from your web site. This is the letter that the Postal Service and Stacy Brinson claims that they mailed out to all citizens of Climax on December 4<sup>th</sup>, 2012. I asked the citizens if they received this letter. No one had received the letter, including me.

In that letter Stacy Brinson says "A community meeting will be held at or near the in the coming weeks to explain our plans and solicit your comment concerning possible alternate means of providing postal and other services". The fact that this is a thoughtless canned response is highlighted by the fact that Ms. Brinson didn't even bother to insert even an approximate location. Not only does the letter not specify a location, the mentioned meeting has never taken place.

When I made a few inquiries about this letter, word must have gotten back to Pat Brinson, because she asked Betty Thomas (an employee of the Climax/Whigham Post Offices) what I was talking about, which Betty knew nothing about. After the first

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of the year, we received in the mail a new letter dated December 18<sup>th</sup>, 2012. (I have also provided you with a copy.) This letter also concerned me, because it stated that we were to return the surveys no later than January 7<sup>th</sup>, 2013. Once again there is a reference to a community meeting, which has not happened. The meeting cannot be referring to the meeting that took place on October 8<sup>th</sup>, 2012, because the first letter that I referred to above is dated December 4<sup>th</sup>, 2012.

Neither I, nor the citizens of Climax, believe that the post office was closed due to an emergency suspension, nor do we believe that the Postal Service intends to reopen our post office in any form. We believe that they are waiting until everyone has simply given up and accepted that we will no longer have the service we once received as defined by Universal Services.

I would also like to ask you what the definition is of a Village Post Office. Our Village Post Office sells stamps and citizens can pick up a few boxes there. No new post office boxes can be opened. You cannot mail a package, certified letter or any other service that requires the transaction of money. If you receive or mail a package, you must travel to a post office outside the area. Most of the citizens have closed their box because they do not like the location of the Village Post Office. We simply do not receive the services we once had.

I know that Mr. Wolaver has contacted the Postal Service and tried to renegotiate the lease with them and they told him they were not interested. This tells me that the Postal Service has lied from the beginning.

What about this "Study" that the Postal Service is conducting? Enclosed you will find a reply that the Postal Service sent out to Mr. and Mrs. Thomas. I did not send you my reply letter, because by the time I received it, I had no hope that we could get anywhere and did not keep my letter. Since then I have been encouraged to give it another try, hence my letter now.

All this leads us to believe that Stacy Brinson "took this ball and ran with it" to benefit her mother. Anyone can look at the dates or things that have taken place and see that the Postal Service is now trying to go back and go through the steps that they should have done in the first place.

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We believe that if nothing is done here, the Postal Service will feel that they can close other post offices in the same manner, simply because they got away with it here in Climax. This has been a big injustice to our community, including Morgan Wolaver.

The reality on the ground here in Climax is:

1. The POSTPlan which was supposed to adjust the hours of our post office, instead eliminated it entirely. It clearly appears this was accomplished through significant internal irregularities and manipulation by Postal Service personnel.
2. A VPO which the Postal Service assured the Commission would not be used as a substitute, has replaced our post office, but with inadequate access and minimal services. The building of the VPO was decided before negotiations concluded regarding a lease renewal, since the Postal Service knew by September 13, 2012, that it would only be providing limited services out of a VPO, even though a "Dear Customer" form letter to the Climax community stated that no final decision regarding the Climax Post Office will be made until after a November, 2012, community meeting.
3. Our town and our citizens have been given misinformation and form responses to our concerns.
4. The proposed rental rate for our perfectly adequate post office came down (in the face of a bogus FMV calculation) by over 25% from \$11.84 per square foot, which had been the existing rate, down to an offered rate of \$8.75 per square foot. We were told, at a meeting, that our post office had to be closed due to the landlord's, Mr. Wolaver's, unwillingness to negotiate. When Mr. Wolaver contacted the Postal Service Facilities personnel, they expressed no interest in negotiating the \$.25 per square foot rental gap.
5. The postal services now available to our community are inconvenient and inadequate.
6. It looks completely clear to our community that the Postal Service knew, and had determined, well before its "emergency" suspension, that it would not continue

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a post office in Climax, in advance of any community input or meeting; that a VPO would be substituted; and that Climax would permanently lose its post office through a managed combination of a contrived FMV, bad faith negotiations, advance planning for a VPO, misinformation to the community, and the fond hope that all this would be over and done with before the Climax community or this Commission could have the involvement Congress intended.

We are asking that you please take another look into our appeal.

Sincerely,

Karen Toole  
Climax City Clerk

Enclosure